Impounding Is Reaffirmed

By Cathe Wolhowe 9/17/73
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Despite the defeats the Nixon administration's impoundment policies have suffered in the courts, the director of the Office of Management and Budget said yesterday that the administration is determined to continue impounding funds.

"The President is not going to abrogate his responsibility to the people" to maintain a non-inflationary budget, OMB Director Roy L. Ash said on television's "Meet the Press" (NBC, WRC). He added that he did not favor a tax increase to curb inflation.

So far, most courts have rejected the President's contention that he can impound appropriated funds to control inflation. Of some 30 cases in which states, cities and citizens' groups have sued for release of appropriated funds, the President has lost all but five. At least 10 of the adverse decisions, however, are being appealed.

One favorable decision at the Supreme Court level would wipe this slate clean, Ash said, adding that he expects to get this decision this fall in a case filed by Georgia seeking release of highway, water pollution and education funds. The Georgia officials asked the Supreme Court to

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ROY L. ASH
. . . opposes tax rise

Ash Defends Policy on Spending

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hear the case without lower court action.

The impoundment confrontation between Congress and the President will be heightened this week when congressional conferees consider House and Senate anti-impoundment bills. Ash said the President will veto any such legislation.

In the meantime, Ash emphasized, the administration is concentrating on working out solutions with Congress on spending priorities for next year's budget. Asked if it was realistic to expect an agreement, Ash said, "The purpose is not to reach agreement at this point. The purpose is to make sure that we have all points of view firmly in front of the President when he makes the final decisions on the budget."

Ash said the major problem in reaching budget decisions is that 75 per cent of the budget is "relatively uncontrollable" despite what Congress or the President decides.

He explained that this portion of the budget "consists of programs that have been put on the books in a way that have their automatic expenditure year after year, or decisions made a number of years ago that bear upon the amount that will be spent this year."

He said the remainder of the budget, where the bulk of the cuts are made, contains many of the social, educational and natural resource programs, but added that spending priorities were shifting from defense to social programs and that he expected more "significant" shifts within three years.

Asked whether priorities would change more rapidly with a different tax system, Ash said a tax surcharge was being considered, but added he agreed with Treasury Secretary George P. Shultz that "this is not the time to raise taxes."